



# **WOMEN-OWNED BUSINESSES**

## **ANNUAL REPORT CY2011**



### **Missouri Women's Council Legislative Day at the Capitol**



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## **FACTS of WOMEN-OWNED BUSINESS in MISSOURI**

### ***Women-Owned Businesses<sup>1</sup>***

According to the most recent MERIC report, there were 130,772 women-owned firms in Missouri in 2007, up from 120,457 in 2002, according to data from the U.S. Census Bureau's 2007 Survey of Business Owners. This was a 8.6 percent increase in the number of women-owned firms in the state. These firms accounted for more than \$20.2 billion in sales and receipts in 2007.

In the U.S., there were 7.8 million women-owned firms in 2007, up 19.9 percent from 2002. Sales and receipts from women-owned firms totaled \$1.2 trillion in 2007. Women-owned firms made up 28.8 percent of all firms and 3.9 percent of all sales and receipts in the U.S.

States with the largest number of women-owned businesses were California (1,039,208), Texas (609,947), New York (594,517), Florida (581,096) and Illinois (343,073). In addition, California also had the largest gross sales from women-owned firms. Missouri ranks 20th among the states, in the total number of women-owned firms.

Twenty-five states, including Missouri, had more than 100,000 businesses owned by women. Eleven states had more than 200,000 women-owned firms in 2007.

### ***Women-Owned Business by Industry<sup>2</sup>***

#### **Industry**

Most women-owned businesses in Missouri are concentrated in three main industry groups – other services (17.0 percent), health care and social assistance (15.4 percent) and retail trade (13.8 percent). Other significant sectors include professional, scientific and technical services (11.3 percent) and administrative and support and waste management and remediation services (10.1 percent).

In terms of total sales and receipts, however, the largest grossing industries are wholesale trade, retail trade, manufacturing, social assistance, health care and construction. This indicates that although wholesale trade, construction and manufacturing have fewer firms, they have a larger impact on Missouri's economy in terms of gross sales.

Arts and Entertainment Industries gained the most ground in Missouri growing by 48.5 percent adding, 1,772 additional firms between 2002 and 2007. Educational services (39.9%), administrative support (25.4%) and real estate (23.0%) followed.

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<sup>1</sup> Source: MERIC – Missouri Economic Research & Information Center.

<sup>2</sup> Source: MERIC – Missouri Economic Research & Information Center.

### Women-Owned Share of Missouri Industries

While on average, 26.1 percent of all firms in Missouri are owned by women, women ownership is much more prevalent in some industries. Nearly half of all health care and social assistance firms in the state are owned by women. Other industries with well above average women-ownership include educational services (45.9%), other services (37.2%), administrative support and waste management services (34.8%), and retail trade (32.7%).

Women-Owned Share of Missouri Industries				
2007 NAICS code	NAICS Description	2007 Women - Owned Firms	2007 Total Number of Firms	Percentage of Firms that are Women-Owned
****	Total for all sectors	130,740	501,130	26.1%
21	Mining, quarrying, and oil and gas extraction	18	563	3.2%
23	Construction	5,491	75,849	7.2%
31-33	Manufacturing	1,704	11,969	14.2%
42	Wholesale trade	1,908	12,827	14.9%
44-45	Retail trade	17,977	55,004	32.7%
48-49	Transportation and warehousing	2,507	25,698	9.8%
51	Information	1,217	5,720	21.3%
52	Finance and insurance	4,193	21,491	19.5%
53	Real estate and rental and leasing	11,117	48,426	23.0%
54	Professional, scientific, and technical services	14,807	56,002	26.4%
55	Management of companies and enterprises	16	752	2.1%
56	Administrative and Support and Waste Mgmt and Remediation Services	13,178	37,872	34.8%
61	Educational services	4,221	9,190	45.9%
62	Health care and social assistance	20,179	40,539	49.8%
71	Arts, entertainment, and recreation	5,423	20,253	26.8%
72	Accommodation and food services	3,362	13,486	24.9%
81	Other services (except public administration)	22,234	59,804	37.2%
99	Industries not classified	726	1,741	41.7%

Source: U.S. Census Bureau, Survey of Business Owners, 2007

## 2011 WOMEN-OWNED BUSINESS STATISTICAL DETAILS

During the calendar year 2011 the Department of Economic Development offered the following incentives for the retention, expansion or start-up of businesses:

- Business Facility Tax Credit
- Brownfield Jobs and Investment Tax Credit
- Business Use Incentives for Large-Scale Development
- Development Tax Credit
- Enhanced Enterprise Zone Tax Credit
- Enterprise Zone Tax Credit
- Manufacturing Jobs Act
- Missouri Job Development Fund
- Missouri Quality Jobs Programs
- New Enterprise Creation Act
- Rebuilding Communities Tax Credit
- CAPCO – Certified Capital Company
- Urban Enterprise Loans

We are currently tracking this information with each program entering the information into our CMS database. Total number of tax credits issued was two hundred and twenty-six (226), out of which fourteen (14) or 7% were issued to women-owned businesses.

Out of a total of two hundred and twenty-five companies (225), fourteen (14) or 7% were women-owned businesses. These companies were organized as a Corporation with Subchapter-S (11), or as an LLC – Limited Liability Company (3). The women-owned businesses received a total of \$418,999.58 in tax credits or 1% of the total.

Missouri Job Development Fund (MJDF), administered as Missouri Customized Training, approved training for 167 companies and 10 training consortiums. The total amount of training authorized in 2011 was \$6,717,030 and \$8,838,468.67 was reimbursed during the calendar year 2011. Nine (9) women-owned businesses were authorized for \$200,000 in 2011 and \$218,914.23 was reimbursed during that same time period. The remaining 158 companies and 10 training consortiums were authorized for a total \$6,517,030 and \$8,619,552.44 was reimbursed to companies for training during 2011 for previously approved projects. The totals do not include administration costs.

The Missouri Programs that offer the retention of withholdings tax as an incentive benefit are Missouri Quality Jobs and Missouri Manufacturing Jobs programs. For calendar year 2011, only Quality Jobs programs authorized retained withholdings. Of fifty-eight (58) companies that retained withholdings for new jobs, three (3) companies were women-owned businesses. The women-owned businesses retained a total of \$139,552.42 or 1% of the total withholding taxes retained of \$15,386,408.89

## Distribution of Benefits Issued in Calendar Year 2011 for the retention, expansion, new or start-up of businesses

### Tax Credit Programs

BFC - New/Expanding Business Facility  
 Brownfield Redevelopment - Jobs & Investment  
 BUILD - Business Use Incentives for Large Scale Development  
 CAPCO - Certified Capital Company  
 DTC - Development Tax Credit  
 EEZ - Enhanced Enterprise Zone  
 EZ - Enterprise Zone  
 MQJ - Missouri Quality Jobs -Hi Impact  
 MQJ - Missouri Quality Jobs - Small/Expanding  
 MQJ - Missouri Quality Jobs - Retention  
 MQJ - Missouri Quality Jobs - Technology  
 MQJ - Missouri Quality Jobs - Flood Survivor Relief  
 NECA - New Enterprise Creation Act  
 RC 25% E - Rebuilding Communities 25% of new equipment  
 RC 40% E - Rebuilding Communities 40% of new equipment  
 RC 40% I - Rebuilding Communities 40% of income  
**TOTAL**

Women-Owned Enterprises		Non-Women-Owned Enterprises		TOTAL	
\$ Tax Credits	Credits Issued	\$ Tax Credits	Credits Issued	\$ Tax Credits	Credits Issued
\$ 102,339.00	3	\$ 4,227,616.00	19	\$ 4,329,955.00	22
\$ 170,952.09	1	\$ 1,712,287.48	2	\$ 1,883,239.57	3
\$ -	-	\$ 11,630,844.56	27	\$ 11,630,844.56	27
\$ -	-	\$ -	-	\$ -	-
\$ -	-	\$ 4,466,759.39	10	\$ 4,466,759.39	10
\$ 60,852.56	4	\$ 6,525,189.74	65	\$ 6,586,042.30	69
\$ -	-	\$ 192,415.00	1	\$ 192,415.00	1
\$ -	-	\$ 7,332,422.11	20	\$ 7,332,422.11	20
\$ -	-	\$ 110,124.38	1	\$ 110,124.38	1
\$ -	-	\$ 1,000,000.00	1	\$ 1,000,000.00	1
\$ 34,555.73	2	\$ 3,396,753.25	27	\$ 3,431,308.98	29
\$ -	-	\$ -	-	\$ -	-
\$ -	-	\$ -	-	\$ -	-
\$ 39,344.43	1	\$ 924,189.91	11	\$ 963,534.34	12
\$ 10,755.77	3	\$ 1,058,751.75	25	\$ 1,069,507.52	28
\$ -	-	\$ 3,973.20	3	\$ 3,973.20	3
\$ 418,799.58	14	\$ 42,581,326.77	212	\$ 43,000,126.35	226

### Training Reimbursement Program

MCT - Missouri Customized Training  
 MCT - Missouri Customized Training

Women-Owned Enterprises		Non-Women-Owned Enterprises		TOTAL	
\$ Approved	\$Spent	\$Approved	\$Spent	\$Approved	\$Spent
\$ 200,000.00	\$ 218,914.23	\$ 6,517,030.00	\$ 8,619,554.44	\$ 6,717,030.00	\$ 8,838,468.67
# of Companies	9	# of Companies	158	# of Companies	167
	# of Training Consortiums		10	# of Consortiums	10

### MO State Withholdings Retained Programs

Manufacturing Jobs - Expanded  
 Manufacturing Jobs - New  
 Manufacturing Jobs - Supplier  
 MQJ - Missouri Quality Jobs -Hi Impact  
 MQJ - Missouri Quality Jobs - Small/Expanding  
 MQJ - Missouri Quality Jobs - Retention  
 MQJ - Missouri Quality Jobs - Technology  
 MQJ - Missouri Quality Jobs - Flood Survivor Relief  
**TOTAL**

Women-Owned Enterprises		Non-Women-Owned Enterprises		TOTAL	
WH retained	# Companies	WH retained	# Companies	WH retained	# Companies
\$ -	-	\$ -	-	\$ -	-
\$ -	-	\$ -	-	\$ -	-
\$ -	-	\$ -	-	\$ -	-
\$ -	-	\$ 9,954,913.29	14	\$ 9,954,913.29	14
\$ 58,858.30	1	\$ 1,250,638.53	10	\$ 1,309,496.83	11
\$ -	-	\$ -	-	\$ -	-
\$ 80,694.12	2	\$ 4,041,304.65	31	\$ 4,121,998.77	33
\$ -	-	\$ -	-	\$ -	-
\$ 139,552.42	3	\$ 15,246,856.47	55	\$ 15,386,408.89	58

### Company Type

Bank - Financial Institution  
 Close-Corp. - Close Corporation  
 Prof-Corp - Professional Corporation  
 G-Corp - General Corporation  
 LLC - Limited Liability Company  
 LLP - Limited Liability Partnership  
 LP - Limited Partnership  
 Not-for-Profit Corp  
 Partnership  
 Insurance  
 S-Corp - Corporation, Subchapter S  
 Sole. Propr. - Sole Proprietorship  
**TOTAL**

Women-Owned Enterprises		Non-Women-Owned Enterprises		TOTAL	
Tax Credits	# Companies	Tax Credits	# Companies	Tax Credits	# Companies
\$ -	-	\$ 462,802.56	3	\$ -	3
\$ -	-	\$ 17,265,962.91	84	\$ 17,265,962.91	84
\$ -	-	\$ -	-	\$ -	-
\$ -	-	\$ 121,018.34	3	\$ 121,018.34	3
\$ 59,511.35	3	\$ 9,024,097.79	53	\$ 9,083,609.14	56
\$ -	-	\$ -	-	\$ -	-
\$ -	-	\$ 2,568,427.92	4	\$ 2,568,427.92	4
\$ -	-	\$ 453,160.01	4	\$ 453,160.01	4
\$ -	-	\$ 467,408.19	2	\$ 467,408.19	2
\$ -	-	\$ -	-	\$ -	-
\$ 359,488.23	11	\$ 11,592,790.47	58	\$ 11,952,278.70	69
\$ -	-	\$ -	-	\$ -	-
\$ 418,999.58	14	\$ 41,955,668.19	211	\$ 42,374,667.77	225

**Note:** Total number of credits and total number of companies will not agree because a company can qualify for various programs.

CHART 1(a)

### Amount of Tax Credits Issued

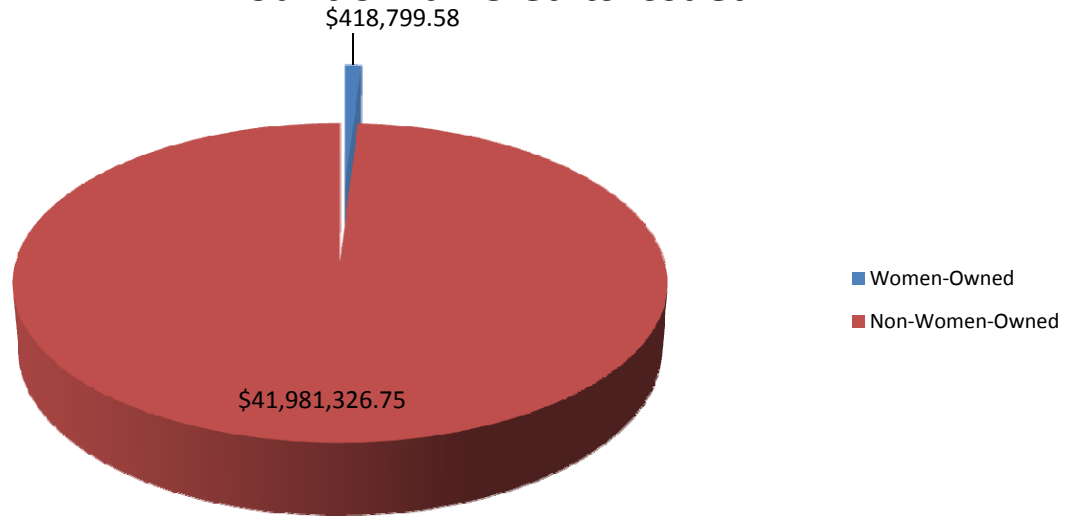


CHART 1(b)

### Tax Credit for Women-owned Business by Program

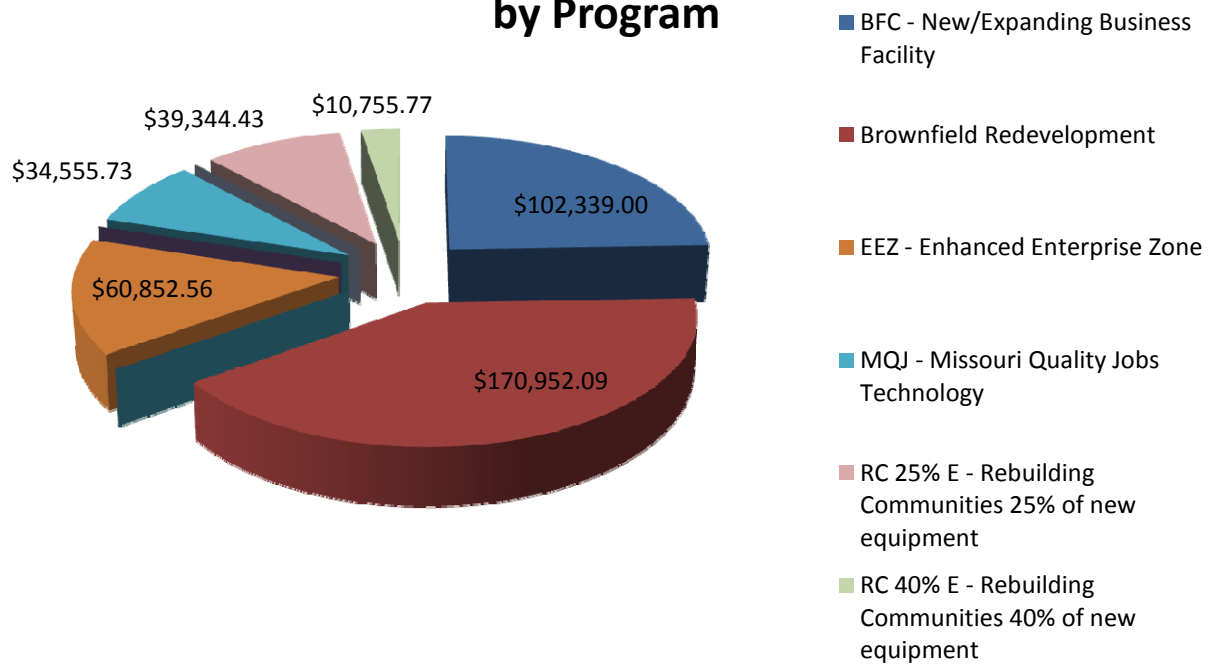


CHART 2(a)

### Number of Businesses Receiving Tax Credits

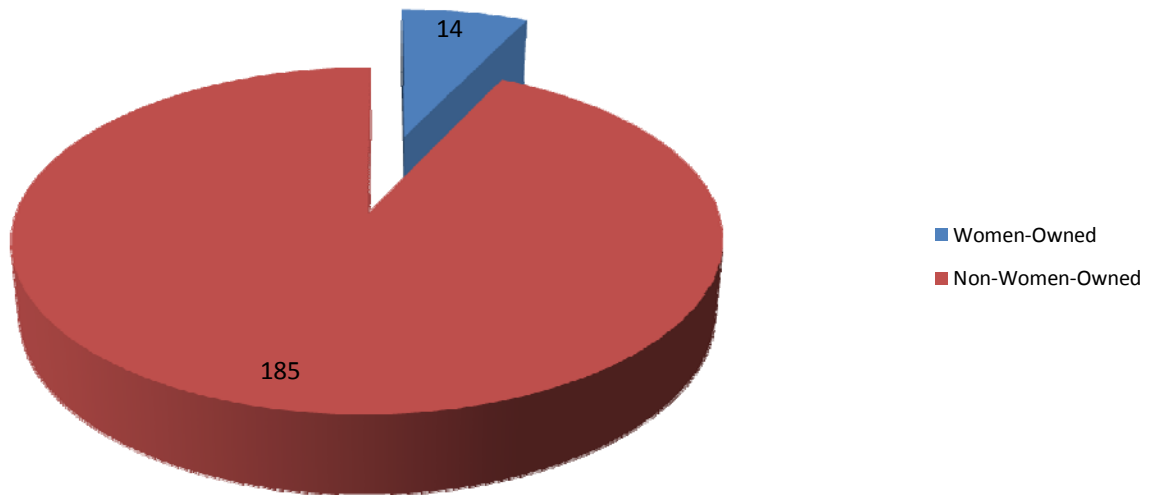


CHART 2(b)

### Women-owned Businesses by Program

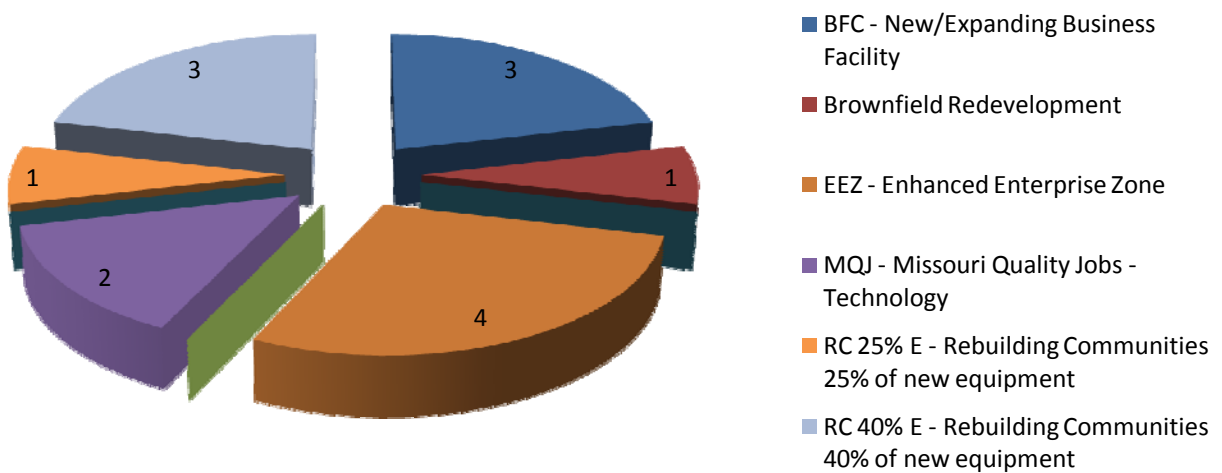




CHART 3(a)

### Number of Tax Credits Issued

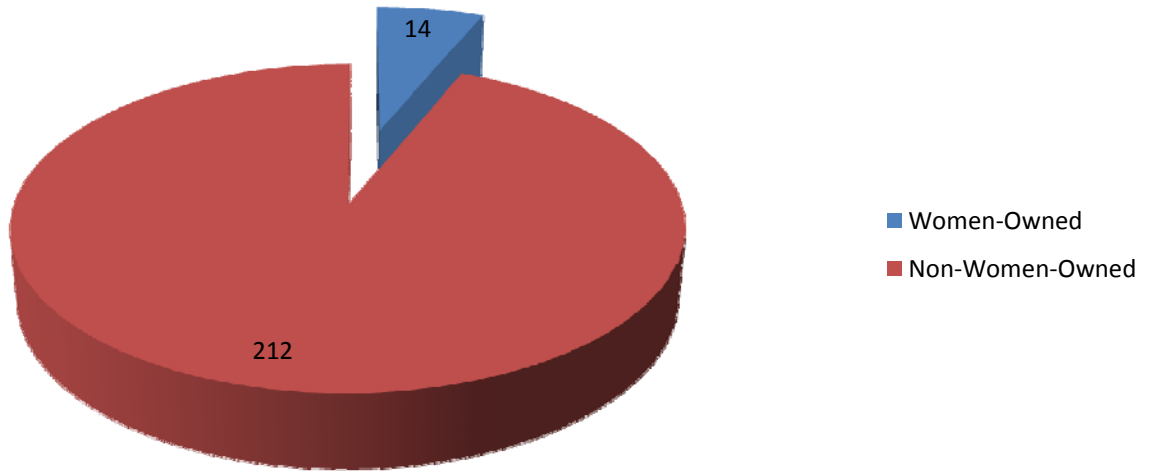


CHART 3(b)

### Number of Women-owned Business by Company Type

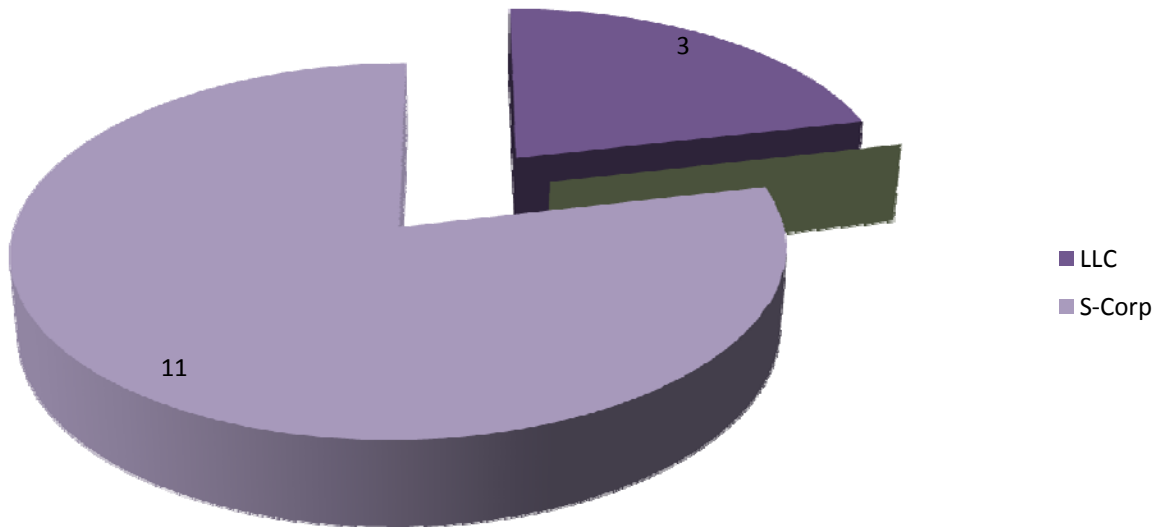


CHART 4(a)

### MO Customized Training \$ Spent

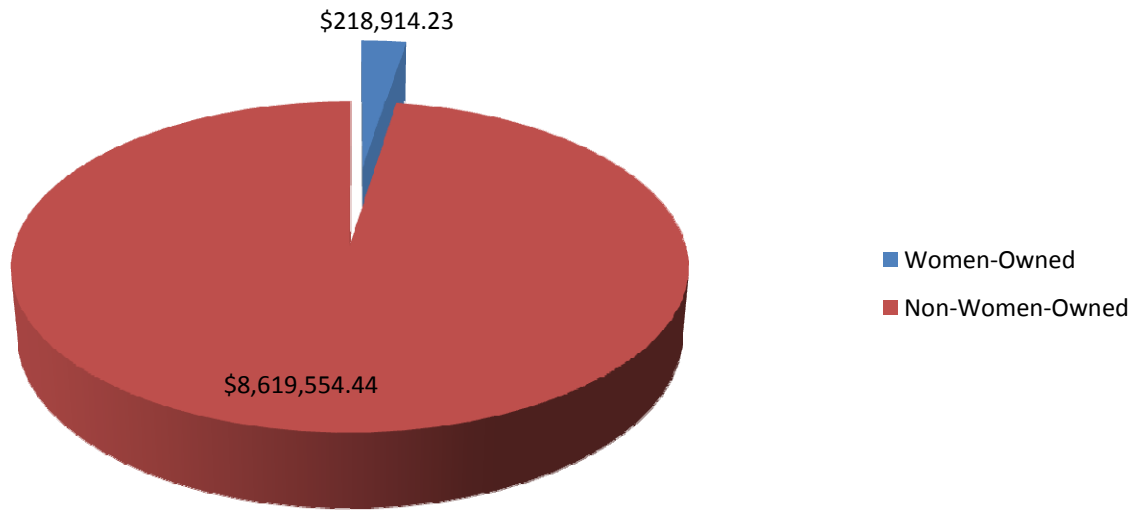


CHART 4(b)

### Number of Businesses Reimbursed under MO Customized Training Program

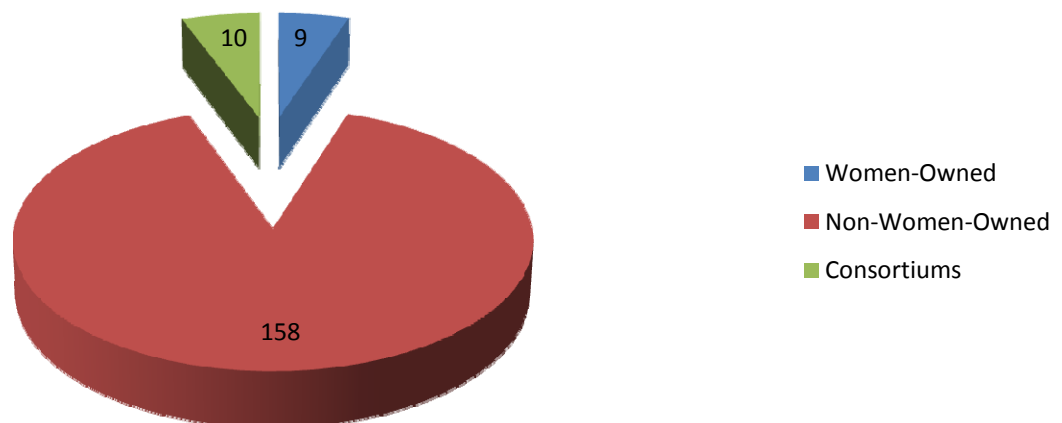


CHART 5(a)

### Total Amount of Withholdings Retained

■ Women-Owned ■ Non-Women-Owned

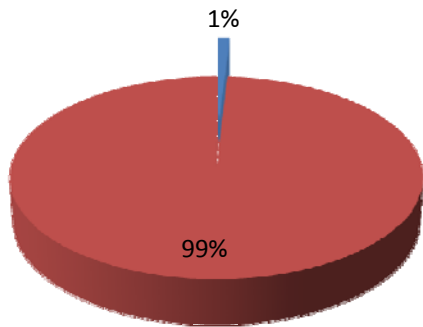


CHART 5(b)

### Amount of Withholdings Retained for New v. Retained Jobs

■ For New Jobs ■ For Job Retention

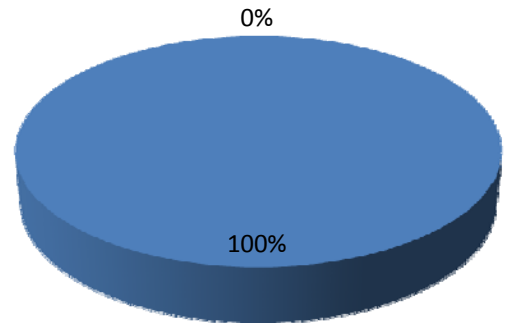
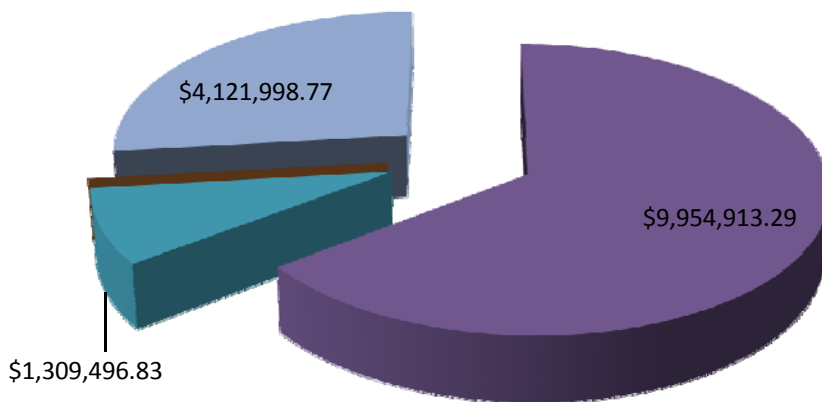


CHART 5(c)

### Total Amount of Withholdings Retained by Program

■ MQJ - Missouri Quality Jobs Hi Impact  
■ MQJ - Missouri Quality Jobs Small/Expanding  
■ MQJ - Missouri Quality Jobs Technology



## **DESCRIPTION OF INCENTIVES PROGRAMS**

### **BROWNFIELD REDEVELOPMENT, 447.700 – 447.718, RSMO**

The purpose of this program is to provide financial incentives for the redevelopment of commercial and industrial sites that are contaminated with hazardous substances and have been abandoned or underutilized for at least three years. The program authorizes remediation tax credit, demolition tax credit and jobs and investment tax benefits.

### **BUSINESS USE INCENTIVES FOR LARGE SCALE DEVELOPMENT, 100.700-100.820, RSMO**

The purpose of this program is to provide a financial incentive for the location or expansion of large business projects. The incentives are designated to reduce necessary infrastructure and equipment expenses if a project can demonstrate a need for funding. The program provides state tax credits to a business in the amount of debt service payments for industrial revenue bonds related to a portion of project costs.

### **CAPCO – CERTIFIED CAPITAL COMPANY, 135.500- 135.529, RSMO**

The purpose of this program is to induce private investments into certified venture capital funds that invest in new or growing Missouri small businesses. Private venture capital firms apply to the department for certification as a CAPCO that make equity investments in eligible Missouri businesses. CAPCOs are allocated state tax credits to be given to insurance companies that invest in the CAPCO funds. At this point, all credits allowed under the law have been authorized.

### **DEVELOPMENT TAX CREDIT, 32.100-32.125, RSMO**

The purpose of this program is to facilitate a business project in order to create new jobs. The program offers state tax credits to taxpayers making contributions to a non-for-profit corporation for projects approved by DED. The credits are for 50% of the contribution of cash or the value of certain types of property.

### **ENHANCED ENTERPRISE ZONE TAX CREDIT, 135.950 – 135,973, RSMO**

The purpose of this program is to provide tax credits to new or expanding businesses in a Missouri Enhanced Enterprise Zone. Enhanced Enterprise Zones are specified geographic areas designated by local governments and certified by the Department of Economic Development. Tax credits may be provided each year for up to five years, based on tax credits reserved for the project.

#### ENTERPRISE ZONE TAX CREDIT, 135.200-135.270, RSMO

The purpose of this program is to provide tax incentives to facilitate the expansion of new or existing businesses in one of Missouri's many enterprise zones. Enterprise zones are specified geographic areas as certified by the Department of Economic Development (DED) based on demographic eligibility and approval of a request by the local governments. The credits are provided each year for up to ten years after the project commences operations unless the life of the enterprise zone expires before that time.

Pursuant to SB 1155 (2004), the Enterprise Zone Tax Credit Program is being phased out of existence.

#### MISSOURI MANUFACTURING JOBS ACT, 620.1910, RSMO

The purpose of this program is to allow qualified auto manufacturing facilities or suppliers that bring next-generation production lines to Missouri to retain withholding taxes typically remitted to the state. The MMJ – expanded or new product can retain 10 years of withholdings based on their investment per retained job and MMJ – Suppliers can retain withholdings for either three or five years based on the average wage of the new job.

#### MISSOURI CUSTOMIZED TRAINING PROGRAM

The purpose of the program is to provide funding to Missouri employers for the training and retraining of new and existing employees. The Department of Economic Development, through the Division of Workforce Development, operates the program in cooperation with the Department of Elementary and Secondary Education. Missouri employers may apply for Classroom Training. This program is a reimbursement program for employers to help offset training costs for new and existing employees.

#### MISSOURI QUALITY JOBS PROGRAMS, 620.1875 – 620.1890, RSMO

The purpose of this program is to facilitate new quality jobs by targeted business projects. For "small and expanding" businesses, the benefits of the program are the retention of the state withholding tax of the new jobs. For "technology" and "high impact" businesses, the benefits of the program are (a) the retention of the state withholding tax of the new jobs; and (b) state tax

credits, which are refundable and/or sellable. The program benefits are based on a percentage of the payroll of the new jobs. The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements.

#### NEW ENTERPRISE CREATION ACT, 620.635 – 620.653, RSMO

The purpose of this program is to generate investment for Missouri startup businesses that have not developed to the point where they can successfully attract conventional financing or significant venture capital from large-stage funds. Prolog Ventures, LLC was selected as the Fund Manager to raise the tax refundable contributions and manage the investments of the fund. Prolog will make investments in qualified Missouri businesses in need of early-stage or “seed” funding. At this point, all credits allowed under the law have been authorized.

#### NEW OR EXPANDING BUSINESS FACILITY TAX CREDIT PROGRAM, 135.100-135.150, 135.258, RSMO

The purpose of the program is to provide tax incentives to facilitate the expansion of new or existing businesses in Missouri. State income tax credits are provided to the business based on the number of new jobs created and amount of new investment at the qualifying facility. The credits are provided each year for up to ten years after the project commences operations. Pursuant to SB 1155 (2004), the Business Facility Tax Credit Program is being phased out of existence.

#### REBUILDING COMMUNITIES TAX CREDIT PROGRAM, 135.535, RSMO

The purpose of this program is to stimulate business activity in Missouri’s “distressed communities” by providing tax credits to eligible businesses that locate, relocate or expand their business within a distressed community.

#### URBAN ENTERPRISE LOAN, 620.1023, RSMO

The Missouri Department of Economic Development (DED) contracts for the administration of a micro-lending program to assist Missouri's small business owners with the creation, expansion and retention of their business enterprise, located in the St. Louis and Kansas City urban areas.